

APR 01 2008

Department of Housing and  
Community Development

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of Lodi

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Reporting Period by Calendar Year: from 1-1-07 to 12-31-07

These forms and tables, (see sample – next page) must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1, of each year; submit separate reports directly to both HCD and OPR (Government Code Section 65400) at the addresses listed below:

Department of Housing and Community Development  
Division of Housing Policy Development  
P.O. Box 952053  
Sacramento, CA 94252-2053

-and-

Governor's Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044



# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202 )

Jurisdiction City of Lodi  
 Reporting Period 01/01/2007 - 31-Dec-07

Table A

### Annual Building Activity Report

#### Very Low-, Low-, and Moderate-Income Units and Mixed-Income Multifamily Projects

Housing Development Information										Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	6	7	8		
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	Assistance Programs for Each Development See Instructions	Deed Restricted Units See Instructions	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.		
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income						
537 Hilborn	SF	O			X		1					
331 E. Lodi Ave.	SF	R	X				1			small size/low value		
543 E. Maple	SF	O			X		1					
7391/2 Washington	SF	R	X				1			small size/low value		
330 N. Pleasant	SF	O			X		1					
927 Wellwood	SU	R	X				1			small 2nd unit		
(9) Total of Above Moderate from Table A2							0					
(10) Total by income units (Field 5) Table A							6					

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## Housing Element Implementation

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Jurisdiction City of Lodi  
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Table A

### Annual Building Activity Report Very Low-, Low-, and Moderate-Income Units and Mixed-Income Multifamily Projects

Housing Development Information				Housing with Financial Assistance and/or Deed Restrictions				Housing without Financial Assistance or Deed Restrictions
1	2	3	4				5	
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes				Total Units per Project	
			Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income		
1456 Rumi	SF	O			X		1	
1436 Rumi	SF	O			X		1	
1459 Rumi	SF	O			X		1	
1439 Rumi	SF	O			X		1	
(9) Total of Above Moderate from Table A2							13	
(10) Total by income units (Field 5) Table A			0	0	4	0	23	

# ANNUAL ELEMENT PROGRESS REPORT

## *Housing Element Implementation*

(CCR Title 25 §6202 )

Jurisdiction	City of Lodi
Reporting Period	01/01/2007 - 31-Dec-07

Table A2

Annual building Activity Report Summary for Above Moderate-Income Units  
(not including those units reported on Table A)

	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes	Total
No. of Units Permitted for Above Moderate	13	0	0	0	0	13

## (CCR Title 25 §6202 )

31-Dec-07

**Table B**

**Regional Housing Needs Allocation Progress**

**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.											RHNA Allocation by Income Level	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level		2001	2002	2003	2004	2005	2006	2007	2008	2009			
Very Low	Deed										17	973	
	Restricted Non-deed restricted	2	2	1	3	4	2	3					
Low	Deed										16	648	
	Restricted Non-deed restricted	2	2	4	4	3	1	0					
Moderate	Deed										868	-130	
	Restricted Non-deed restricted	198	161	140	84	226	52	7					
Above Moderate		127	177	140	134	160	39	13			790	832	
Total RHNA by COG.													
Enter allocation number:													
Total Units		329	342	285	225	393	94	23			1,691	2,323	
Remaining Need for RHNA Period													

## Table C

### City of Lodi Housing Element – Annual Progress Report - 2007

#### Assessment of Implementation Programs

##### 1. Program Goal

The City shall revise the Zoning Ordinance to provide for a density bonus of at least 25 percent and at least one other concession or incentive, or provide other incentives of financial value for all residential projects that reserve at least 25 percent of its units for low- or moderate-income households, or at least 10 percent of its units for lower income households, or at least 50 percent for qualifying senior citizens. The City shall work with the San Joaquin County Housing Authority in developing procedures and guidelines for establishing income eligibility for the "reserved" units and for maintaining the "reserved" units as affordable units for at least 30 years. The City shall seek Housing Authority administration of the reserved units. The City will establish a program to publicize the availability of the density bonus program and shall encourage prospective housing developers to use the program.

##### Progress (2007)

The City is progressing in our effort to adopt a new and updated Development Code. It is anticipated that a new Development Code will be adopted sometime in 2008. The new development code will incorporate changes that will make it easier to implement the goals outlined by the Housing Element, including greater flexibility in the way properties can be developed with residential units. This should result in greater opportunities for developers to construct affordable housing projects.

As part of the new Development Code, the City is including language that will provide for a density bonus incentive system for affordable housing units. The system will be designed to comply with State requirements for density bonuses. The Community Improvement Manager and the Planning Manager will also work with the County Housing Authority to establish a system for determining income eligibility and for reserving the units as affordable units for at least 30 years. This work is ongoing and will be adopted in 2008.

In addition, the City has an affordable housing density bonus criteria incorporated into the City's Growth Management Allocation process. Applicants are awarded additional points if they meet certain affordable housing criteria. The bonus points can help these projects score higher in the competitive process and make it more likely that they will be awarded building permit allocations. The City may also explore the possibility of exempting affordable housing projects from having to go through the Growth Management process.

##### 2. Program Goal

The City shall prepare and maintain a current inventory of vacant, residentially zoned parcels and a list of approved residential projects, and shall make this information available to the public and developers. The City shall update the inventory and list at least annually.

##### Progress (2007)

The vacant lot inventory is complete and is maintained and updated on an on-going basis. The City attempts to identify parcels that have the potential to be developed with affordable housing units. The City has identified a group of three parcels and is actively working to develop an

affordable senior housing project on this site. The City is working to purchase the property from the railroad company and has selected a private developer to partner with to develop the project.

1. The City has identified a vacant railroad right of way property for a potential affordable senior housing project. The City is partnering with PAM, a local housing development and management company who will develop a 71-unit senior affordable housing project that once built, will be maintained as affordable housing for 45-years. The City has dedicated \$1.2 million towards this project.

### **3. Program Goal**

**The City shall pursue all available and appropriate state federal funding sources to support efforts to meet new construction and rehabilitation needs of low-and income households and to assist persons with rent payments required for existing units.**

#### **Progress (2007)**

This is an on-going work effort by the Planning Manager and the Community Improvement Manager. The City continues to pursue and utilize State and Federal grants and funds to implement a variety of Housing Element goals including, but not limited to the following: infrastructure and neighborhood improvements; housing rehabilitation and remodeling grants; first time home buyers down-payment assistance; disabled access and mobility improvements; renter's assistance; increased code enforcement; public out-reach and informational programs and assistance in developing private affordable housing projects. These and other programs are specifically directed to assist low and moderate income households and to maintain and improve the supply of affordable housing. A significant portion of the City's Community Development Block Grant funds and HOME funds are directed to these programs that benefit areas of the City that have a significant proportion of low and moderate income households.

1. Down-Payment Assistance - \$900,000 expended through a combination of HOME and CDBG funds. 13 home buyers were funded in 2007.
2. LOEL Foundation Housing Acquisition – Assisted the LOEL Foundation to purchase a 5-unit apartment building near the senior center that will be used for senior housing. Five senior households will be assisted.
3. Provided \$8,600 towards Lodi's share of San Joaquin Fair Housing Program to assist renters with fair housing issues. Estimated to assist 110 households.
4. Salvation Army Accessibility Improvements - \$38,654 was allocated to construct an ADA accessible entrance ramp to the Salvation Army Homeless Shelter. It is estimated that 4,383 clients of the facility will benefit from the ramps.

Additionally the Community Improvement Division distributes educational and informational material through their daily public contacts both in the office and in the field during their code enforcement activities. The division also has informational booths at various community events to publicize their various programs and activities.

### **4. Program Goal**

**Pursue or promote the following programs for financing of housing projects: Section 202 - Housing for the Elderly or Handicapped. Rental Housing Construction Program (RHCP).**

#### **Progress (2007)**

This is an on-going work effort by the Planning Manager and Community Improvement Manager. No units were constructed under these programs during the last Housing Element cycle. The City is currently working with a developer on an affordable senior housing project that we hope can be



constructed on in-fill parcels that have recently become available. The City is in the process of working with a developer who will put together a proposal to develop the parcel with affordable housing project. The City hopes to have a project proposal put together on this property during the 2008 calendar cycle and begin construction soon after.

#### **5. Program Goal**

**The City shall use CDBG funds to subsidize infrastructure improvements for lower-income housing projects.**

#### **Progress (2007)**

The City continues to utilize CDBG and other funds to upgrade and replace infrastructure in older areas of the City, where many affordable units are located. The City has a program to replace existing water, sewer and storm drain lines with new or upgraded lines as funds become available or in conjunction with new development that is occurring in the area. Funds are also used to install handicapped ramps at corners and other locations that serve low income and senior residents and are significant pedestrian crossings.

1. The City funded the construction of ADA-accessible curb ramps and accessibility improvements through four project programs to improve accessibility for the disabled and elderly in the target area. Total expenditure was \$336,984.00. The projects will benefit thousands of disabled, elderly and homeless residents of the City, many who fall within the very-low and low-income categories.
2. The City Electric Utility is currently rebuilding one of their electric substations in the older eastside area of Lodi. Once completed, the upgraded substation will provide greater reliability for electric customers in the area served by the substation. The area served includes significant numbers of very-low, low and moderate income residents.

The City is in the process of trying to establish a Redevelopment Agency that will include the downtown and some of the older areas of Lodi where many of the City's affordable residential units are located. A Redevelopment Agency would channel tax dollars back into these areas to provide funding for affordable housing; housing rehabilitation programs; and infrastructure improvements. The Redevelopment Agency could also provide a source of funds to be used specifically for affordable housing. The redevelopment effort is currently in the public education phase and will be an on-going effort for the next year or more.

#### **6. Program Goal**

**The City shall pursue available techniques, such as mortgage revenue bonds or other mortgage-backed securities, to develop affordable ownership and rental housing.**

#### **Progress (2007)**

None of these funding mechanisms were initiated during the last housing cycle.

#### **7. Program Goal**

**The City shall amend the Zoning Ordinance to provide for the development of manufactured and factory-built housing consistent with the requirements of law.**

#### **Progress (2007)**

The City does not treat manufactured housing any differently than conventionally constructed housing. Manufactured houses are permitted in all residential zones as long as normal setbacks,

parking and other zoning and building standards can be met. Several manufactured housing units have been installed on conventional residential parcels in different parts of the City.

#### **8. Program Goal**

**The City shall post and distribute information on currently available weatherization and energy conservation programs.**

#### **Progress (2007)**

The City Electric Utility Department has an on-going energy conservation program. They provide free energy audits for residents and businesses, provide rebates for energy conserving appliances and building improvements, and conduct educational programs at schools and public events. The City has conducted several well-attended events that provided informational and educational material on a variety of energy issues. The City also has a program to assist low-income households in paying their electric utility bills. These programs and events are advertised in the local newspapers and other media sources and are also included in the newsletter mailings sent to all utility customers.

1. The Electric Utility Department conducts energy audits, provides energy rebates and conducts workshops that benefits hundreds of residents annually. In the 2006-2007 year the Electric Department provided the following services:
  - a. In-house energy audits – 117 customers.
  - b. On-line energy audits – 100 customers.
  - c. Lodi Energy Smart Workshop series – six events (1500 total attendees).
  - d. Lodi Energy Efficiency Home Improvement rebate Program – 100 customers.
  - e. Lodi CARE Package Program (program to offer grants to low-income families to help pay electric component of utility bills – 100 customers.
  - f. Lodi SHARE Rate Discount (provides for a monthly 30% discount on the electric component of utility bill for low-income families) – 2,200 customers.
  - g. Lodi Appliance Rebate Program (offer rebates for customers who purchase and install Energy Star appliances) – 275 customers.

#### **9. Program Goal**

**The City shall enforce state requirements, including Title 24 requirements for energy conservation, in new residential and encourage residential developers to employ additional energy conservation measures with respect to the following:**

- Sitting of buildings
- Landscaping
- Solar access
- Subdivision design

#### **Progress (2007)**

This is an on-going program that is implemented by the City's Building Inspection Division and the Planning Department. All building plans and energy calculations are reviewed to make sure that they comply with Title 24 requirements. The City Public Works Department has amended their subdivision design standards to require landscaped parkways in new subdivisions. The parkways are planted with shade trees that will provide a shaded canopy for both the street and the adjacent properties, helping to reduce ambient temperatures, particularly during the summer. The City also has an on-going effort to plant more trees throughout the City and to maintain the health of existing City trees. The City is also requiring property owners to plant shade trees when constructing new parking lots or expanded existing parking lots. The City, when reviewing new

subdivision and development designs will determine if the lot and building orientations optimize the potential for solar panels and energy conserving technology.

The City is in the process of participating in the Leadership in Energy and Environmental Design (LEED) pilot rating system. This effort is intended to encourage more efficient and environmentally friendly design in new developments. Once implemented, the LEED program will encourage builders to meet requirements for the construction of energy efficient buildings and environmentally sensitive development projects

#### **10. Program Goal**

**The City shall continue to participate in San Joaquin County's CDBG Entitlement Program. Housing objectives shall be a high priority in the use of CDBG funds.**

#### **Progress (2007)**

The City has a continuous effort to utilize Community Development Block Grant Funds (CDBG) and code enforcement activities for a variety of neighborhood improvement efforts. These efforts have resulted in the improvement of over 150 units in past 12 years. Funds are used to make infrastructure improvements in the target neighborhoods. The City is also funding a program to assist first-time home buyers with down payments for their home purchases.

1. The City has assisted 13 low and moderate-income households to purchase homes through the Down-Payment Assistance program in the past year. Twenty-one additional households were assisted since 2001.
2. The City has assisted 25 households in the last year through CDBG/HOME programs that help fund home improvements or rehabilitation.
3. The City assisted LOEL Center to rehabilitate 10 senior housing units over the past two years and one unit was funded for the San Joaquin Housing Authority.

#### **11. Program Goal**

**The City shall amend its Zoning Ordinance and apply appropriate zoning designations to implement the land use densities provided for in the planned residential land use designation described in the General Plan Land Use Element.**

#### **Progress (2007)**

The City is in the process of completing a major revision of our Development Code (zoning ordinance). The new Development Code will incorporate changes to the City's current development standards, including some that will make it easier to design and construct a greater variety of housing units. By encouraging different types and densities of housing units, the city hopes to promote the construction of more affordable housing units. An example would be the downtown area of Lodi where there are many two story buildings. In years past, many of the buildings had ground floor commercial and residential units on the upper floors. Over the years, most of the upper floors have been converted to offices or storage or have become vacant spaces. The City is working on guidelines for transit oriented development (TOD) that will encourage property owners to restore some of these upper floor areas to residential units. Changes to the development code and other City policies will make it easier to construct mixed use projects. It is anticipated that the new Development Code will be ready for adoption sometime in 2008.

As part of this effort, the City will also look at how current zoning designations affect the way properties are developed. In certain areas of the City, the existing zoning may not allow for residential development, even if the property is suited for housing. The City has begun to look at various properties, particularly vacant or underutilized infill properties to determine if a change in

zoning would encourage the construction of housing, including affordable housing. Often these properties are near public transit and are within walking distance to commercial and recreational locations. This makes them well suited for affordable and senior housing. The City is also looking at funding sources that can be used to help property owners defray some of the cost for providing affordable housing units in these types of locations.

In addition, the City has a commitment to provide for greater diversity of housing densities in all new residential areas. When new areas are annexed and development plans are reviewed, the City will require that the projects contain a mixture of residential densities instead of only low density residential. Providing a mixture of densities and housing types provides both a more vibrant community and increases affordable housing opportunities.

The City is also in the process of updating our General Plan. The new G.P. will add additional residential areas to the City and more of those areas will be designated for mixed housing projects. The document will also contain policies that will provide for a wider range of housing types, increase overall residential densities and provide incentives for the construction of affordable housing. Within each residential neighborhood, the City will require the developer to include low, medium and high density residential developments in order to provide a full range of housing choices.

#### **12. Program Goal**

**The City shall develop and implement standards applicable to all new residential projects aimed at improving the personal security of residents discouraging criminal activity.**

#### **Progress (2007)**

The new Development Code will incorporate new ideas related to how good site planning and architecture can result in improving personal security of residents and reduce criminal activity. Development proposals are sent to both the Police Dept. and the Fire Dept. for review, and their recommendations are incorporated into the project design and conditions.

#### **13. Program Goal**

**The City shall continue to cooperate with the San Joaquin County Housing Authority in its administration of the Section 8 rental assistance program. Target: maintain at least 200 Section 8 for very-low income households**

#### **Progress (2007)**

The San Joaquin County Housing Authority administers the Housing Choice voucher Program for the City. According to Housing Authority Staff, the demand for vouchers continues to far exceed the supply of eligible housing units. There are currently thousands of households on the waiting list. The proposed senior affordable housing project will use project-based Section 8 Assistance for all 71 units.

#### **14. Program Goal**

**The City shall establish policies and procedures for evaluating applications for demolition of residential structures. This evaluation shall consider the implications of the demolition with respect to the retention of affordable housing. If demolitions are deemed to result in a reduction of the amount of affordable housing in Lodi, the City shall require the proponent of the demolition to cooperate with the City in providing relocation assistance to displaced residents and in determining the means for replacing demolished units.**

#### **Progress (2007)**

The City does not issue a significant number of residential demolition permits. Most demolitions are a result of code enforcement issues or the removal of older substandard units. In most cases, the residential units are replaced with new residential units. In code enforcement cases, demolition is usually the last option, and is used when there are building code or zoning issues that can not be addressed by repair or remodeling the unit in a reasonable or cost-effective manner.

#### **15. Program Goals**

**The City shall continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color by continuing to provide funding for the operation of the Affirmative Fair Housing Program.**

#### **Progress (2007)**

The City continues to provide funding to San Joaquin Fair Housing to provide services to Lodi residents. Tenant/landlord issues and complaints are addressed as they are received from the public and dealt with in an appropriate manner.

1. The City has allocated their share of \$8,600 to help fund the San Joaquin Fair Housing Program. The City provides their pro-rated share of funding to this program on an annual basis. It is estimated that this program will assist 110 households, most of whom are very-low and low-income households in the current year.

#### **16. Program Goals**

**The City shall adopt an emergency housing ordinance to clearly identify appropriate sites for such facilities and to make these sites readily accessible for development through establishment of clear development guidelines. Until the adoption of such an ordinance, the City shall allow by right the development of such facilities in areas zoned C-M or C-2.**

#### **Progress (2007)**

The City has an ongoing relationship with the Lodi Salvation Army, which is Lodi's primary homeless shelter provider. The City has provided funding to assist the Salvation Army to purchase and remodel a vacant industrial building into a modern shelter and dining room. The new facility, which opened last year, is significantly larger than the old downtown location and can provide more services and serve a larger population. The facility has a modern kitchen and dining room and provides separate sleeping facilities for men, women, and women with children. The new shelter provides a vastly improved facility for the homeless and other in need of assistance. The City has also assisted the Salvation Army to develop a separate facility that provides an emergency food bank as well as office and meeting space for various social programs.

1. The City has provided continued funding for the Salvation Army Homeless Shelter located on North Sacramento Street. The City has provided funds for the acquisition of the building and additional funds for the remodel of the building into a homeless shelter to house both men and women and also women with children. The facility also provides a kitchen and dining room for a meal program.
2. In the past year, the City provided \$38,654 to the Salvation Army Homeless shelter to construct an ADA-accessible entrance ramp to make the facility compliant with City code requirements.

The City participated in a County-wide census and survey to determine the number and needs of the homeless population in the area. The information gathered will be used to determine where best to direct CDBG funding to address the identified needs and reduce homelessness.

#### **17. Program Goals**

**The City shall adopt a property maintenance ordinance.**

##### **Progress (2007)**

The City has adopted a property maintenance ordinance which is implemented by the Community Improvement Division. Code enforcement activities are ongoing and are used to resolve code violations and to maintain the quality of Lodi's neighborhoods.

1. Over 906 complaints related to property maintenance and substandard housing issues were received and investigated in the past year.

#### **18. Program Goals**

**The City shall implement a fair share monitoring program that tracks City progress toward contributing its fair share of the region's housing needs.**

##### **Progress (2007)**

The City has implemented a fair share monitoring program that will track the City's progress towards contributing its fair share of the region's housing needs. The program is monitored by the Community Improvement Division who will track the City's progress towards meeting the goals of the Housing Element.

#### **19. Program Goals**

**The City shall pursue rehabilitation funds made available by Statewide Proposition 77 (June 1988).**

##### **Progress (2007)**

The City will continue to seek funding from available State and Federal sources to pursue a variety of housing rehabilitation opportunities. Programs that may be utilized include the Federal HOME Program or the State Multifamily Housing Program. The City can also use CDBG funds for this effort. Recently, the City has utilized Development Agreements that required developers of major new projects to provide funds to assist in the rehabilitation of existing residential units in certain target neighborhoods that contain affordable housing units.

The City has utilized the Down Payment Assistance program to provide down payment assistance, utilizing over \$900,000 for first time home buyers that assisted 13 households in 2007. In addition the City has utilized CDBG and HOME Funds to assist the LOEL Foundation in acquiring and rehabilitating 5 affordable senior apartment units across the street from the LOEL Senior Center. LOEL provides a variety of social, recreational and nutritional programs for Lodi's senior population. They are also an advocate for senior issues, including affordable senior housing.

1. The City is also utilizing CDBG and HOME funds to acquire property for a 71-unit senior affordable housing project. The City is partnering with a private developer who in turn is partnering with the LOEL Center and the Housing Authority to put together this project that we hope to break ground in this next 18 months. When constructed, the units will be maintained as affordable units for a period of not less than 45 years with the Housing

Authority screening residents for eligibility. The City has dedicated \$1.2 million towards this project.

#### **20. Program Goals**

**The City shall prepare and maintain a current inventory of residential units located in commercially or industrially-zoned areas. The City shall update the inventory and list at least annually.**

##### **Progress (2007)**

The City will do a comprehensive inventory of residential properties as a part of the General Plan update that is currently underway. The study will analyze under-utilized properties that could be developed with affordable housing as well as properties that are zoned commercial or industrial that could possibly be re-designated for residential development. The City will look for properties that are now designated for commercial or industrial use that are now better suited for residential development because of changes in the neighborhood or in surrounding land use patterns.

The City has recently completed the annexation of three major new developments into the City. These new areas will provide the City with significant areas for future residential development. The City has targeted some of the acreage for higher density development as well as possible senior and affordable housing sites. The City will work with the developers to create a range of housing types that will include some affordable housing.

**Table C-2**  
**2007**

**Progress on Addressing Affordable Housing Constraints Identified by  
the Housing Element**

The 2003 Lodi City Housing Element identified a number of constraints that were making it difficult for the City to provide affordable housing. Some of the major constraints were as follows:

- Cost of land
- Lack of available parcels with zoning designations suitable for affordable housing projects.
- Lack of flexibility in the development standards in the General Plan and Zoning Ordinance.
- High cost of Development Fees and the high cost of constructing or extending Infrastructure.

**Possible Solutions**

**Cost of Land**

The high cost of land in the Lodi area is based on several factors. One factor is the high value of the underlying agricultural land. Because Lodi is located on prime farm land that support high value agricultural crops such as grape vineyards, the basic cost of land is higher than many other Valley locations. Additionally, the size of the farm parcels tends to be relatively small and have fragmented ownership. This makes assembling parcels of land of suitable size for development difficult and costly. While there is not a great deal that the City can do to affect the sale price of land, the City is taking measures to aid the situation.

The City has recently completed the annexation of three significant areas of land to the City limits. By adding these new areas to the City for residential development, the City hopes that it will provide greater opportunity for developers to find land suitable for development of affordable housing projects. The increased supply will make land prices more competitive and offer a wider selection of location and size of land available for development. Also having more projects being constructed will offer a greater variety of products and a wider range of housing types. The City will encourage developers to provide affordable housing units by utilizing a variety of incentives and possibly giving priority to projects that produce affordable housing.

The recent slowdown in the housing market may provide opportunities to the City by making available land less expensive; thereby bring down the overall cost of residential development.

**Suitable land use development**

In addition to annexing new areas to the City, we are addressing the issue of the lack of land suitable for affordable projects. For the past several years, most residential



development in Lodi was single-family detached subdivisions. In the areas being annexed to the City, we are requiring developers to incorporate a greater variety of housing types and housing densities. All large blocks of land annexed to the City are being required to submit a development plan that incorporates a variety of housing densities and housing types. Developments that are all low-density residential will be strongly discouraged. The City is committed to developing with a "smart growth" approach, encouraging a pedestrian friendly design, with mixed uses and a compact design. As part of the entitlement process, the City will designate portions of each development for multi-family units, condominiums, planned unit developments and other types of residential development. The City feels that by increasing densities and providing a greater variety of housing types, the City will have the best opportunity to achieve affordable housing.

#### **Lack of flexibility in the City's development standards**

The City has a General Plan that was last updated in 1990 and a zoning ordinance that was written in the 1950s. Both documents do not easily accommodate modern mixed use projects and current residential development styles. To address these issues, the City is currently updating both documents. The City has implemented a program to update our General Plan that we will completed in the next 12 to 18 months. The new General Plan will incorporate new goals for development in the City that will include "Smart Growth" principals requiring a greater mix of housing types, higher densities, more compact development, and less dependence on the automobile. Included in the document will be measures to provide for affordable housing projects throughout the City and in new development areas.

The City is also moving forward with preparing a new Development Code (zoning ordinance) and we hope to adopt the document in 2008. The new development code will reduce the number of residential zoning designations while allowing greater flexibility in each zone. Standards such as setbacks, lot coverage, building height, parking, etc. will be evaluated, with the goal of encouraging a wider variety of housing types and a more efficient use of land. All development standards will be written with the goal of providing the greatest opportunity for affordable housing through a mix of housing types.

The new Development Code will also incorporate a Density Bonus incentive for affordable housing. The Density Bonus standard will allow developers to increase the density of proposed developments in exchange for the construction of affordable housing units. The Density Bonus standards will be written in compliance with State guidelines. In addition, the City will work with the Housing Authority to develop guidelines for income eligibility and for maintaining the units as affordable for at least 30 years.

#### **High Cost of Development Fees and other Development Cost**

The City's Development Fees are based on the cost of providing public services to new developments. As the cost of providing services continue to rise, the City must increase fees accordingly. In order to assist in the development of affordable housing projects, the City will look at ways the City can bring down the cost of the development fees. Whether this will involve the reduction of fees for affordable housing projects or some

type of financial subsidy, the City is committed to exploring every possible solution. As part of the new General Plan, the City will explore different policies on how we can assist developers to create affordable housing projects. The same approach will be utilized to address the issue of the high cost of installing infrastructure and site improvements such as water and sewer lines, streets and sidewalks, and all the other necessary improvements. The City will explore all possible methods to assist builders to develop affordable housing.

The City has recently begun utilizing Development Agreements for large development projects. One of the conditions of past agreements is that the developer agreed to rehabilitate a number of existing private affordable housing units. As an alternative, the developer can also pay into a fund that will be established to pay for the rehabilitation of housing units that are located in certain target areas. Either way, units that are affordable, but are in need of structural or cosmetic repair will be targeted. This will provide upgraded affordable housing units and will help stabilize areas of the City that contain significant numbers of very-low, low- and moderate-income households..